The Project Design Document

Olsen, Karen Holm

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Karen Holm Olsen

kaol@risoe.dtu.dk

Twente course on CDM project formulation

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Outline:

- What is a PDD?
- Types of templates
- Contents – an overview
- An example
- Pitfalls

What is a PDD?

- An official document used for *validation* of a CDM project
- One of three documents required for *registration* of a project, along with the *validation report* and a *Letter of Approval* (LoA) from the host country
- Most DNAs issue the LoA based on the PDD

Types of PDD templates

Specific PDD-templates exist for different types of CDM projects:
http://cdm.unfccc.int/Reference/Guidclarif/index.html#pdd

- Large-scale project activities (CDM-PDD)
- Small-scale project activities (CDM-SS-PDD)
- Afforestation and reforestation project activities (CDM-AR-PDD)
- Small-scale afforestation and reforestation project activities (CDM-SSC-AR-PDD)
- Programmes of activities (CDM-POA-DD) and CDM Programme Activities (CDM-CPA-DD) – generic and first CPA

Contents – an overview

A PDD template contains the following sections:

A. General description of project activity
B. Application of a baseline and monitoring methodology
C. Duration of the project/crediting period
D. Environmental impacts
E. Stakeholder comments

Annexes:

1. Contact information of project participants
2. Information on public funding
3. Baseline information
4. Monitoring information

An example – EE stoves in Zambia

A. General description of the project (PoA-DD)

A.1Title of the small-scale programme of activities (PoA)

Fuel Efficient Stoves in Zambia

A.2 Description of the small-scale programme of activities

The goal of the proposed PoA is to install fuel efficient cooking stoves throughout rural Zambia

This PoA is a voluntary action, which will be implemented by 3RL.

Contribution to SD: - environmental, social and economic benefits

A. General description of the project (PoA-DD)

A.3 Coordinating/managing entity and participants of SSC-POA

3RL is a private entity and will act as the managing entity of the PoA

A.4 Technical description of the small-scale programme of activities

1. The geographical boundary for the proposed PoA is the country of Zambia. All CPAs included in the PoA will be implemented in Zambia

2. Description of a typical small-scale CDM programme activity (CPA)

3.Technology or measures to be employed by the SSC-CPA

4.Eligibility criteria for inclusion of a SSC-CPA in the PoA:

Figure 1: Zambia - the geographical boundary of the proposed PoA

A.4.3. Assessment and demonstration of additionality

"The proposed PoA reduces GHG emissions through the installation of fuel efficient stoves that reduce the total quantity of non-renewable biomass used by each participating household for cooking purposes. The PoA is additional as it relies solely on carbon finance to ensure its implementation. There are no other lines of revenue from the project other than from the sales of CERs. There is no other incentive to undertake the PoA, nor is there any regulation in Zambia mandating this activity."

The assessment of the PoA's additionality is addressed utilizing the step-wise approach outlined in the UNFCCC Methodological Tool: "Tool for the demonstration and assessment of additionality" (Version 05.2)

A.4.4. Operational, management and monitoring plan for the programme of activities (PoA)

A.4.4.1. Operational and management plan:

- Manufacturing and distribution
- CPA household identification and stakeholder engagement
- Construction
- Data collection
- Monitoring

A.4.4.2. Monitoring plan:

3RL will implement a monitoring plan for the PoA, to be applied during each monitoring period. A Random Sample Group (RSG) of stove users will be identified for inclusion in the monitoring survey

A.4.5. Public funding of the programme of activities (PoA):

There will be no public funding involved in the proposed PoA.

SECTION B. Duration of the programme of activities (PoA)

B.1. Starting date of the programme of activities

"The starting date of the proposed PoA is 01/04/2011, which is the estimated date of commencement of 'real action' in the PoA, and this shall not be earlier than the commencement of validation of the programme of activities, i.e. the date on which the CDM-POA-DD is first published for global stakeholder consultation"

B.2. Length of the programme of activities

28 years (7 years x 4)

SECTION C. Environmental Analysis

C.1. The choice of level at which the environmental analysis is undertaken

The environmental analysis was chosen to be undertaken at PoA level because there is no variation in the stove technology and its installation throughout the CPAs

C.2. Documentation on the analysis of the environmental impacts, including transboundary impacts:

No negative environmental impacts have been identified from the proposed PoA and this has been confirmed by the Environmental Council of Zambia

C.3. Please state whether in accordance with the host Party laws/regulations, an environmental impact assessment is required for a typical CPA, included in the programme of activities (PoA)

In accordance with Zambian regulations, an EIA is not required for typical CPAs included in the proposed PoA. This has been confirmed by the Environmental Council of Zambia, indicating that the project has positive impacts on the environment.

SECTION D. Stakeholders' comments

D.1. Please indicate the level at which local stakeholder comments are invited:

Local stakeholder consultation is done at SSC-CPA level

D.2. Brief description how comments by local stakeholders have been invited and compiled:

Local stakeholders will be invited to participate in a consultation for the implementation of each CPA.This will comprise of a meeting within the local community of the CPA's designated geographical boundary. The consultation will invite local community leaders and representatives, householders, NGOs etc.

D.3. Summary of the comments received

D.4. Report on how due account was taken of any comments received

SECTION E. Application of a baseline and monitoring methodology

E.1. Title and reference of the approved SSC baseline and monitoring methodology applied to a SSC-CPA included in the PoA:

Each CPA in the proposed PoA will apply the approved small-scale baseline and monitoring methodology II.G. *Energy efficiency measures in thermal applications of non-renewable biomass;Version 2.*

E.2. Justification of the choice of the methodology and why it is applicable to a SSC-CPA

E.3. Description of the sources and gases included in the SSC-CPA boundary

E.4. Description of how the baseline scenario is identified and description of the identified baseline scenario

The baseline scenario, as identified above, is the continued use of non-renewable biomass as fuel on open, 3-rock fires for cooking purposes in rural areas of Zambia. Barriers identified in Section A.4.3. indicate that there is no possibility for Zambia's rural poor, due to economic reasons, to access the market for fuel-efficient cooking stoves.

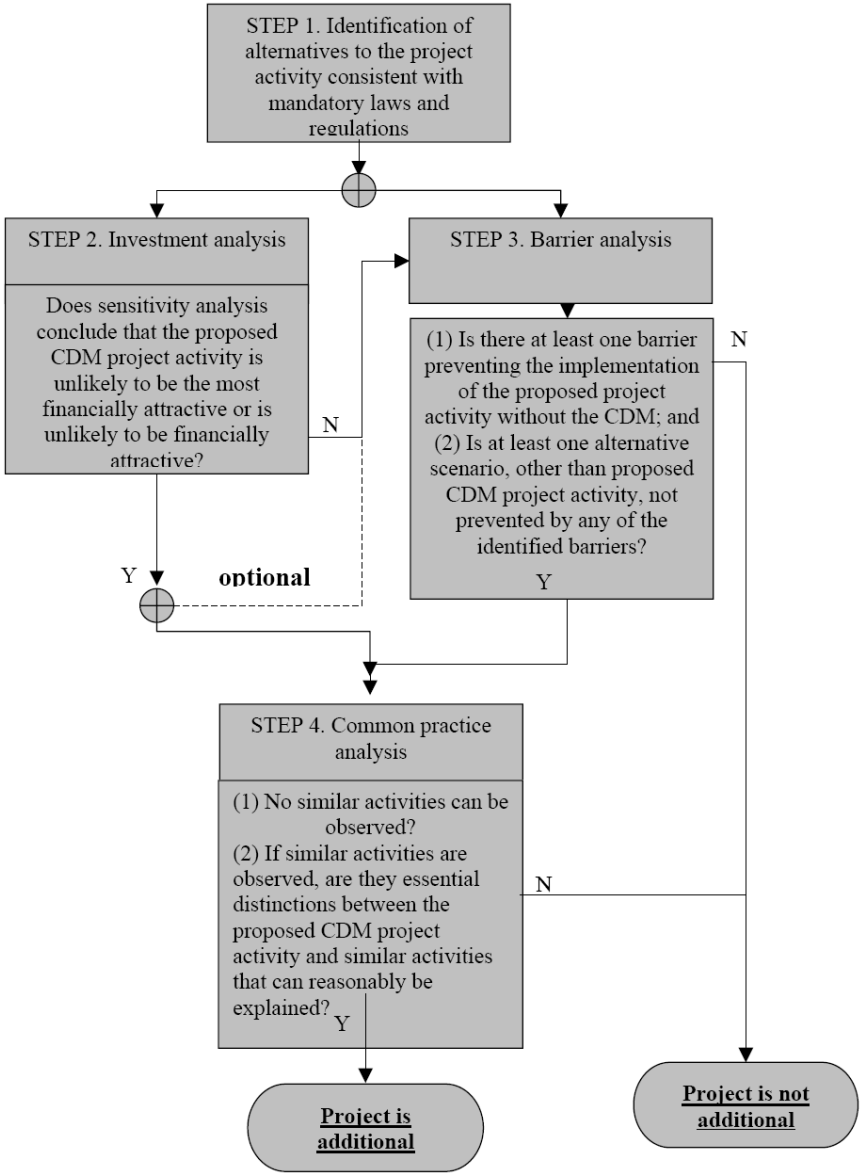
Section D: Baseline and monitoring methodology

E.5. Assessment and demonstration of additionality of SSC-CPA

E.5.1. Assessment and demonstration of additionality for a typical SSC-CPA:

E.5.2. Key criteria and data for assessing additionality of a SSC-CPA

Section A.4.3. of this PoA-DD, above, identifies the criteria for assessing the additionality of the proposed PoA as a whole. It is proposed that the same criteria are applied to the assessment of additionality for each SSC-CPA proposed under the PoA


STEP 1. Identification of alternatives to the project activity consistent with mandatory laws and regulations
STEP 2. Investment analysis
Does sensitivity analysis conclude that the proposed CDM project activity is unlikely to be the most financially attractive or is unlikely to be financially attractive?
N
Y
optional
STEP 3. Barrier analysis
(1) Is there at least one barrier preventing the implementation of the proposed project activity without the CDM; and (2) Is at least one alternative scenario, other than proposed CDM project activity, not prevented by any of the identified barriers?
N
Y
STEP 4. Common practice analysis
(1) No similar activities can be observed?
(2) If similar activities are observed, are they essential distinctions between the proposed CDM project activity and similar activities that can reasonably be explained?
N
Y
Project is additional
Project is not additional

E.6. Estimation of Emission reductions of a CPA:

E.6.1. Explanation of methodological choices, provided in the approved baseline and monitoring methodology applied, selected for a typical SSC-CPA:

Leakage Assessment: (Leakage is defined as an indirect off-site emission not included in the project boundary)

Equipment for the proposed PoA is being manufactured specifically for the PoA and not transferred from another location, outside the project boundary. Under this premise, leakage does not need to be considered.To account for all uncertainties a fixed Leakage Correction Factor (*Ly) of 0.99 will be applied.*

E.6.2. Equations, including fixed parametric values, to be used for calculation of emission reductions of a SSC-CPA:

Ex-ante emissions calculations:

E.6.3. Data and parameters that are to be reported in CDM-SSC-CPA-DD form:

E.7. Application of the monitoring methodology and description of the monitoring plan:

E.7.1. Data and parameters to be monitored by each SSC-CPA:

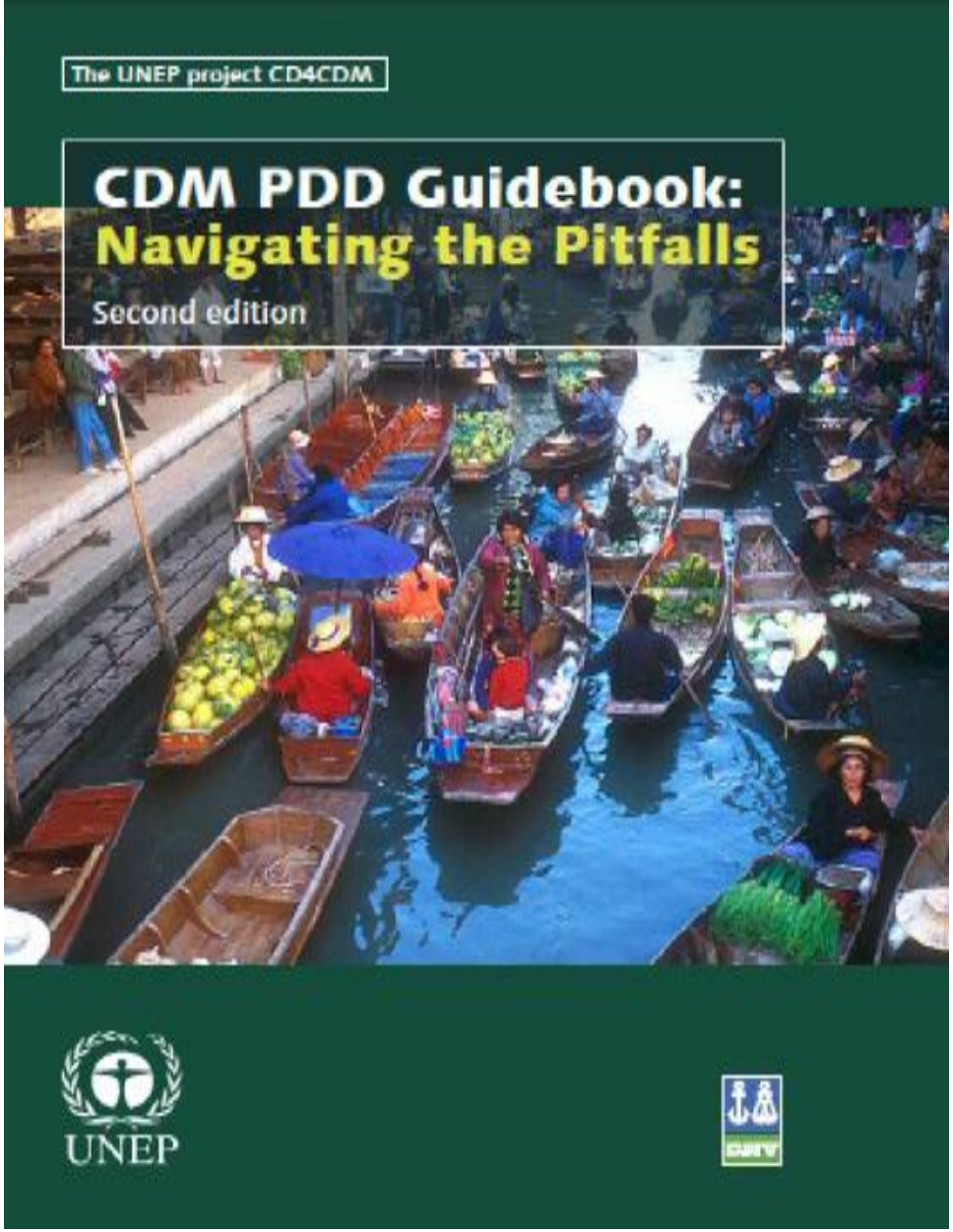
Ex-post emissions calculations:

E.7.2. Description of the monitoring plan for a SSC-CPA:

E.8 Date of completion of the application of the baseline study and monitoring methodology and the name of the responsible person(s)/entity(ies)

1st November 2010, Nick Marshall, 3 Rocks Ltd.

Annexes: 1-4



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	Delay more than 1 week	Delay more than 1 month
Frequency more than 20%	• Lack of logic and consistency in PDD • Deviations from selected calculation methodology not justified sufficiently or incorrect formulas applied • Compliance with local legal requirements not covered sufficiently • Insufficient information on the stakeholder consultation process • Absence of baseline data • Poor quality of the PDD	• Start date of the project not correct. Lack of evidence of CDM consideration. • Evidence of EIA and/or required construction/operating permits/approvals not provided • Letter of Approval insufficient or delayed • Long delays in the validation process

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Thanks!

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